

2017 -- H 6277

LC002794

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2017

A N A C T

AUTHORIZING THE TOWN OF SCITUATE TO ISSUE GENERAL OBLIGATION BONDS AND NOTES IN AN AMOUNT NOT TO EXCEED \$4,900,000 TO FINANCE REPLACEMENTS, RENOVATIONS AND IMPROVEMENTS INCLUDING A NEW TRACK AND FIELD AT THE SCITUATE PUBLIC SCHOOLS

Introduced By: Representative Robert J. Quattrocchi

Date Introduced: June 02, 2017

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. The Town of Scituate is hereby empowered, in addition to authority
2 previously granted, to issue its general obligation bonds and notes to an amount not exceeding
3 four million nine hundred thousand dollars (\$4,900,000) at one time or from time to time under
4 its corporate name and seal or a facsimile of such seal to finance replacements, renovations and
5 improvements including a new track and field at the Scituate public schools. The bonds of each
6 issue may be issued in the form of serial bonds or term bonds or a combination thereof and shall
7 be payable either by maturity of principal in the case of serial bonds or by mandatory serial
8 redemption in the case of term bonds, in annual installments of principal, the first installment to
9 be not later than five (5) years and the last installment not later than thirty (30) years after the date
10 of the bonds. All such bonds of a particular issue may be issued in the form of zero coupon
11 bonds, capital appreciation bonds, serial bonds or term bonds or a combination thereof. Annual
12 installments of principal may be provided for by maturity of principal in the case of serial bonds
13 or by mandatory serial redemption in the case of term bonds. The amount of principal
14 appreciation each year on any bonds, after the date of original issuance, shall not be considered to
15 be principal indebtedness for the purpose of a constitutional or statutory debt limit or any other
16 limitation. The appreciation of principal after the date of original issue shall be considered
17 interest. Only the original principal amount shall be counted in determining the principal amount

1 so issued and any interest component shall be disregarded.

2 SECTION 2. The bonds shall be signed by the manual or facsimile signatures of the town
3 treasurer and the president of the town council and shall be issued and sold in such amounts as the
4 town council may authorize by majority vote of all its members. The amount of the bond issue,
5 manner of sale, denominations, maturities, interest rate or rates, award and other terms, conditions
6 and details of any bonds or notes issued under this act may be fixed by the proceedings of the
7 town council authorizing their issue or by separate resolution of the town council or, to the extent
8 provisions for these matters are not so made, they may be fixed by the officers authorized to sign
9 the bonds. The town council may provide that any bonds issued under this act and any other
10 authorized issue of bonds of the town may be consolidated and issued at the same time as a single
11 bond issue, provided that the last installment of the portion of any such consolidated issue that is
12 allocable to the bonds issued under this act shall not be later than the times specified by the
13 applicable provisions hereof. The bonds may be made callable with or without premium. The
14 proceeds derived from the sale of the bonds shall be delivered to the town treasurer, and such
15 proceeds, exclusive of premiums and accrued interest, shall be expended for costs of financing
16 replacements, renovations, and improvements including a new track and field at the Scituate
17 public schools (herein referred to as the "project") if approved by the voters in accordance with
18 Section 12 hereof, including all other costs incidental and related to the foregoing project and its
19 financing pursuant to this act, including, but not limited to, the payment of principal of or interest
20 on temporary notes issued under Section 3, the repayment of advances made under Section 9,
21 and/or to finance capitalized interest on the project. No purchaser of any bonds or notes under this
22 act shall be in any way responsible for the proper application of the proceeds derived from the
23 sale thereof. The project shall be carried out and all contracts made therefor on behalf of the town
24 by the town council, or as may be authorized by the town council. The proceeds of bonds or notes
25 issued under this act, any applicable federal or state assistance and any other monies referred to in
26 Sections 5, 6, or 9 shall be deemed appropriated for the purposes of this act without further action
27 than that required by this act. The bond issue authorized by this act may be consolidated for the
28 purposes of issuance and sale with any other bond issue of the town heretofore or hereafter
29 authorized, provided that, notwithstanding any such consolidation, the proceeds from the sale of
30 the bonds authorized by this act shall be expended for the purposes set above. The town treasurer
31 and president of the town council acting singly, on behalf of the town, are hereby authorized to
32 execute such instruments, documents, or other papers as either of them deem necessary or
33 desirable to carry out the intent of this act and are also authorized to take all actions and execute
34 all documents or agreements necessary to comply with federal tax and securities laws, which

1 documents or agreements may have a term coextensive with the maturity of the bonds authorized
2 hereby, including Rule 15c2-12 of the Securities and Exchange Commission, to execute and
3 deliver a continuing disclosure agreement or certificate in connection with the bond or notes, and
4 to comply with the provisions of §§16-7-35 to 16-7-47, including making all necessary contracts
5 and agreements to issue said bonds and/or notes through the Rhode Island Health and Educational
6 Building Corporation

7 SECTION 3. The town council may by resolution authorize in the issue from time to time
8 of interest bearing or discounted notes in anticipation of the issue of bonds under this act or in
9 anticipation of the receipt of federal or state aid for the purposes of this act. The amount of
10 original notes issued in anticipation of bonds may not exceed the amount of bonds which may be
11 issued under this act and the amount of original notes issued in anticipation of federal or state aid
12 may not exceed the amount of available federal or state aid as estimated by the town treasurer.
13 Temporary notes issued hereunder shall be signed by the town treasurer and the president of the
14 town council and shall be payable within five (5) years from their respective dates, but the
15 principal of and interest on notes issued for a shorter period may be renewed or paid from time to
16 time by the issue of other notes hereunder, provided the period from the date of an original note
17 to the maturity of any note issued to renew or pay the same debt or the interest thereon shall not
18 exceed five (5) years. Any temporary notes in anticipation of bonds issued under this section may
19 be refunded prior to the maturity of the notes by the issuance of additional temporary notes,
20 provided that no such refunding shall result in any amount of such temporary notes outstanding at
21 any one time in excess of two hundred percent (200%) of the amount of bonds which may be
22 issued under this act; and provided further, that if issuance of any such refunding notes results in
23 any amount of bonds which may be issued under this act, the proceeds of such refunding notes
24 shall be deposited in a separate fund established with the bank which is paying agent for the notes
25 being refunded. Pending their use to pay the notes being refunded, monies in the fund shall be
26 invested for the benefit of the town by the paying agent at the direction of the town treasurer in
27 any investment permitted under Section 5. The monies in the fund and any investments held as
28 part of the fund shall be held in trust and shall be applied by the paying agent solely to the
29 payment or prepayment of the principal of and interest on the notes being refunded. Upon
30 payment of all principal of and interest on the notes, any excess monies in the fund shall be
31 distributed to the town. The period for which bonds may be issued under this act need not be
32 reduced by the period of any temporary loans hereunder. The proceeds derived from the sale of
33 such temporary notes shall be used only for the purposes for which the proceeds bonds issued
34 under this act may be used. The town may pay the principal of and interest on notes in full from

1 other than the issuance of refunding notes prior to the issuance of bonds pursuant to Section 1
2 hereof. In such case, the town's authority to issue bonds or notes in anticipation of bonds under
3 this act shall continue provided that: (1) The town council passes a resolution evidencing the
4 town's intent to pay off the notes without extinguishing the authority to issue bonds or notes; and
5 (2) That the period from the date of an original note to the maturity date of any note shall not
6 exceed five (5) years.

7 SECTION 4. Pending any issue of bonds or notes hereunder, the town treasurer, with the
8 approval of the town council, may, to the extent that bonds or notes may be issued hereunder,
9 apply funds in the treasury of the town for the purposes specified in Section 2, such advances to
10 be repaid without interest from the proceeds of bonds or notes subsequently issued or from the
11 proceeds of applicable federal or state assistance or from other available funds.

12 SECTION 5. Any proceeds of bonds or notes issued hereunder or of any applicable
13 federal or state assistance, pending their expenditure, may be deposited or invested by the town
14 treasurer in demand deposits, time deposits or savings deposits in which are members of the
15 federal deposit insurance corporation, in obligations issued or guaranteed by the United States of
16 America or State of Rhode Island, or by an agency, instrumentality or political subdivision of
17 either of them, or as may be provided in any other applicable law of the State of Rhode Island or
18 resolution of the town council or pursuant to an investment policy of the town.

19 SECTION 6. Any accrued interest received upon the sale of bonds or notes hereunder
20 shall be applied to the payment of the first interest due thereon. Any premiums arising from the
21 bonds or notes hereunder shall, in the discretion of the town treasurer, be applied to the cost of
22 preparing, issuing and marketing bonds or notes hereunder to the extent not otherwise provided,
23 to the payment of the cost of the project, to the payment of the principal of or interest on bonds or
24 notes issued hereunder or to any one or more of the foregoing. The cost of preparing, issuing and
25 marketing bonds or notes hereunder may also, in the direction of the town treasurer, be met from
26 bond or note proceeds exclusive of premiums and accrued interest or from other monies available
27 therefor. Any balance of bond or note proceeds remaining after payment of the cost of the project
28 and the cost of preparing, issuing and marketing bonds or notes hereunder may be applied to the
29 payment of the principal of or interest on bonds or notes issued hereunder. To the extent
30 permitted by applicable federal laws, any earnings or net profit realized from the deposit or
31 investment of funds hereunder shall upon receipt be added to and used for the same purposes as
32 the proceeds of bonds or notes issued hereunder or be added to and dealt with as a part of
33 revenues of the town from property taxes. In exercising any discretion under this section, the
34 town treasurer shall be governed by any instructions adopted by resolution of the town council.

1 The town treasurer is authorized to take any action deemed by them to be necessary to ensure that
2 interest on the bonds or notes issued hereunder remains excludable from gross income of the
3 recipients thereof for federal income tax purposes, including, without limitation, paying to the
4 federal government any rebate of earnings derived from the deposit or investment of the proceeds
5 of such bonds or notes that may be required therefor.

6 SECTION 7. All bonds and notes issued under this act and the debts evidenced thereby
7 shall be obligatory on the town in the same manner and to the same extent as other debts lawfully
8 contracted by it, and shall be excepted from the operation of §45-12-2. No such obligation shall at
9 any time be included in the debt of the town for the purpose of ascertaining its borrowing
10 capacity. The town shall annually appropriate a sum sufficient to pay the principal and interest
11 coming due within the year on bonds and notes issued hereunder to the extent that monies
12 therefor are not otherwise provided. If such sum is not appropriated, it shall nevertheless be added
13 to the annual tax levy. In order to provide such sum in each year and notwithstanding any
14 provision of law to the contrary, all taxable property in the town shall be subject to ad valorem
15 taxation by the town without limitation as to rate or amount.

16 SECTION 8. Any bonds or notes issued under the provisions of this act, if properly
17 executed by officers of the town in office on the date of execution, shall be valid and binding
18 according to their terms notwithstanding that before the delivery thereof and payment therefor
19 any or all of such officers shall for any reason have ceased to hold office.

20 SECTION 9. The town, acting by resolution of its town council, is authorized to apply
21 for, contract for and expand federal or state advances or other grants or assistance which may be
22 available for the purposes of this act, and any such expenditures may be in addition to other
23 monies provided in the act. To the extent of any inconsistency between any law of the state and
24 any applicable federal law or regulation, the latter shall prevail. Federal and state advances, with
25 interest where applicable, whether contracted for prior to or after the effective date of this act,
26 may be repaid as project costs under Section 2.

27 SECTION 10. Bonds and notes may be issued under this act without obtaining the
28 approval of any governmental agency or the taking of any proceedings or the happening of any
29 conditions except as specifically required by this act for such issue. In carrying out any project
30 financed in whole or in part under this act, including where applicable the condemnation of any
31 land or interest in land, and in the levy and collection of assessments or other charges permitted
32 by law on account of any such project, all action shall be taken which is necessary to meet
33 constitutional requirements whether or not such action is otherwise required by statute, but the
34 validity of bonds and notes issued hereunder shall in no way depend upon the validity or

1 occurrence of such action.

2 SECTION 11. After completion of the project, all or any portion of the authorized but
3 unissued authority to issue bonds and notes under this act may be extinguished by resolution of
4 the town council, without further action by the general assembly.

5 SECTION 12. The question of the approval of this act shall be submitted to the electors
6 of the town of Scituate at the general election to be held on November 7, 2017. The question shall
7 be submitted in substantially the following form: "Shall an act, passed at the 2017 session of the
8 general assembly, entitled "An Act Authorizing the Town of Scituate to Issue General Obligation
9 Bonds and Notes in an Amount not to Exceed \$4,900,000 to Finance Replacements, Renovations
10 and Improvements including a New Track And Field at the Scituate Public Schools" be
11 approved?" The warning for election shall contain the question to be submitted. The town board
12 of canvassers may combine any two (2) or more voting districts for the election and when so
13 combined shall be treated as a voting district. If so combined, the town board of canvassers shall
14 advertise the combination of districts in a newspaper of general circulation in the town. From the
15 time the election is warned and until it is held, it shall be the duty of the town clerk to keep a copy
16 of this act available at the clerk's office for public inspection, but the validity of the vote taken at
17 the election shall not be affected by this requirement.

18 SECTION 13. This section and section 12 shall take effect upon the passage of this act.
19 The remainder of this act shall take effect upon the approval of the question listed in Section 12
20 hereof by a majority of those voting on the question at the election prescribed by the foregoing
21 section.

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EXPLANATION

OF

A N A C T

AUTHORIZING THE TOWN OF SCITUATE TO ISSUE GENERAL OBLIGATION BONDS
AND NOTES IN AN AMOUNT NOT TO EXCEED \$4,900,000 TO FINANCE
REPLACEMENTS, RENOVATIONS AND IMPROVEMENTS INCLUDING A NEW TRACK
AND FIELD AT THE SCITUATE PUBLIC SCHOOLS

1 This act would authorize the town of Scituate to issue not more than \$4,900,000 bonds
2 and notes to finance various improvements at the town of Scituate's schools.

3 Sections 12 and 13 would take effect upon the passage. The remainder of this act would
4 take effect upon the approval by the electors of the town of the question provided in Section 12.

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